

SENATE BILL 1119

By Harper

AN ACT to amend Tennessee Code Annotated, Title 7, Chapter 4, relative to an additional tourist accommodation tax upon the occupancy of each hotel room located within the territory of certain metropolitan governments to finance a new convention center.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 7, Chapter 4, is amended by adding the following language as a new part 2:

Section 7-4-2\_\_\_. In addition to any other tax or fee imposed pursuant to this chapter on the occupancy of a hotel room, upon the adoption of an ordinance by the metropolitan council in a county having a metropolitan form of government which has a population in excess of five hundred thousand (500,000) according to the 2000 federal census or any subsequent federal census, there is hereby authorized an additional two dollar (\$2.00) privilege tax upon the occupancy of each hotel room within the territory of such metropolitan government. The tax so imposed is a privilege tax upon each occupied room for each night of occupancy and is to be collected and distributed as provided in part 1 of this chapter.

Section 7-4-2\_\_\_. All revenues received by the metropolitan government from the privilege tax imposed pursuant to this part shall be deposited into a metropolitan government fund entitled "The Convention Center Fund" and shall be used for the purpose of paying costs incurred in modification or construction of a publicly owned convention center in excess of four hundred million dollars (\$400,000,000) in costs located within the territory of the metropolitan government. Such revenues may also be used for the operation, promotion, management and marketing of such a convention center. If the revenues from such surcharge or tax in any fiscal year exceed the total of

such debt service requirements from that year, such surplus revenue thus accruing shall be retained by the metropolitan government as a sinking fund for future convention center debt service requirements.

Section 7-4-2\_\_\_\_. In the event that the total bonded indebtedness incurred for the modification or construction of such convention center facility by the metropolitan government shall be paid in full as to bond and interest, including expenses of bond sale or sales, the metropolitan government's taxing resolution shall be repealed and this tax shall no longer be levied. Provided, however, that any funds and interest remaining in the sinking fund after all obligations imposed under the provisions of this part have been fulfilled, shall be paid over to the governmental board or agency responsible for the operation of the convention center for use by it in the operation, promotion and advertisement of the convention center facilities.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.